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Proposed Attorneys for the Debtor &
Debtor-in-Possession
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

WASHINGTON HEIGHTS PARKING, LLC

Case No.

Debtor

-----X

LOCAL RULE 1007-2 AFFIDAVIT

STATE OF NEW YORK)
COUNTY OF NASSAU) ss.;

Jose Espinal, being duly sworn, deposes and says:

1. I am the Managing Member of Washington Heights Parking, LLC (the “Debtor”),
the above named petitioner.

2. The Debtor is a corporation maintaining an office located at its property Manager,
ABC Management at 258 E. 125th Street, New York, New York. ABC Management provides all
of the Debtor’s administrative services for which it is compensated at \$5,000.00 per month. The
Debtor’s books and records are maintained at the office of ABC Management.

3. The Debtor is engaged in the real estate business. It owns a building (the
“Premises”) at 4320 Broadway, New York. It leases its premises to three tenants who pay
annualized rents of approximately \$1,400,000.00.

4. The Debtor has no employees and its managing member receives no compensation. All of its administrative and management services are provided by ABC Management.

5. As of the filing, the Debtor has assets with an approximate value of \$26,600,000.00 comprised of, among other things, cash of \$283,000.00, and real property of \$26,300,000.00. The Debtor's liabilities total approximately \$15,700,000.00 comprised of approximately \$15,400,000.00 of secured creditors' claims and approximately \$300,000.00 of unsecured creditors' claims.

6. At this time, no property of the Debtor is in the possession or custody and control of any public officer, receiver, trustee or assignee for the benefit of creditors, mortgages, pledges or assignees except approximately \$238,000.00 is held by C.W. Capita Management (C.W.). There is one (1) action currently pending against the Debtors and its other tenants, in the Supreme Court, New York, Bronx County, which bears Index Number: 22603-15E, Maria Aguilar, as the Plaintiff. The action is for damages from a fall on the outside of the building. The action is in the discovery stage.

7. A list of the creditors holding the twenty (20) largest unsecured claims against the Debtor's estate, together with their addresses and the amount due, is annexed to the Debtor's petition. A schedule of secured creditors is annexed hereto which reflects that the Debtor has two secured creditor holding a claim in the approximate amount of \$15,400,000.00 with liens on its premises and rents.

8. No creditors committee was organized prior to the filing.

9. All of the equity interest of the Debtor is owned by its managing member, Jose Espinal. None of its assets are outside the territorial limits of the United States.

10. A Copy of the Debtor's projected income and expenditures for the first thirty (30)

days of its proceeding, is set forth below. The Debtor intends to continue its business after its filing.

11. The Debtors, as aforementioned, is wholly owned by Jose Espinal. Mr. Espinal, on November 30, 2010, filed a Chapter 11 petition in this Court. Mr. Espinal owned as of his filing over 20 different affiliated entities which were engaged in the real estate business. The Debtor was one of his affiliated entities. Mr. Espinal filed a Plan of Reorganization in his Chapter 11 proceeding. His plan was confirmed by an Order of Confirmation dated November 3, 2014, and his Chapter 11 proceeding was closed by an Order of this Court on March 27, 2015.

12. The Debtor is forced to seek the aid and umbrella of this court because it cannot say its debts as they are coming due. On April 8, 2005 the Debtor entered into loan documents for a mortgage and loan on the premises. The loan was for the principal sum of \$13,250,000.00. The loan was thereafter paid timely according to its terms and came due on May 1, 2015 with a principal balance of \$12,363,146.74. Prior to its due date the Debtor was not able to refinance the mortgage and pay it in full.

13. On April 2015 CW Capital Asset Management (CW) became for the first time the loan's servicer. In early June 2015 and late May 2015, after the loan was due CW provided the Debtor with a pay off calculation for the loan. The calculation reflected a principal balance due of \$12,363,146.74 and default interest of approximately \$3,000,000.00. The substantial majority of the default interest was claimed for a default in the loan documents because in November 2010 Mr. Espinal filed a Chapter 11. This was the first time the Debtor was informed that default interest was claimed as being owed because of the Chapter 11 filing. The Debtor believes it has various defenses to the payment of the default interest because of Mr. Espinal's Chapter 11 filing. Its defenses include but are not limited to the defenses of waiver, estoppel, and that to allow same would be an

unenforceable penalty. Prior to the filing the Debtor was not able to settle the amount of default interest that CW would accept.

14. The Debtor believes that with the protections of this Court, it will be able to preserve its assets, sell its premises for over \$26,000,000.00, pay its debts in full and propose a meaningful and acceptable Plan of Reorganization.

15. For the first thirty days period following its filing an estimate of its receipts and disbursements is as follows:

<u>Receipts (Rents)</u>	\$123,000.00
<u>Disbursements</u>	
Payments CS Capital	\$109,000.00
For interest on Mortgage (Regular and Default)	
<u>Other Disbursements</u>	
ABC Management	\$5,000.00
NYC Water	\$1,200.00
Tax Escrow (NYC)	\$3,300.00
Insurance	\$3,200.00
Telephone	\$100.00
LPE - Fire Department	\$100.00
Miscellaneous	\$1,000.00
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	\$13,900.00
Total Disbursements	\$123,000.00

WHEREFORE, your Deponent prays that the Debtor be continued in the operation and management of its business and affairs pending further order of this Court.

/s/ Jose Espinal
Jose Espinal, Managing Member

Sworn to before me this
26th day of June 2015

/s/ Gary B. Sachs
Notary Public